8 July 1959

IRAN

- I. Shah is continuing his tough line toward Soviet Union, but faces mounting domestic and foreign pressures to improve relations.
 - A. Soviet bloc continuing radio propaganda campaign which new Iranian Foreign Minister Abdoh feels is having considerable effect in Iran.
 - B. The East German radio is calling for, "Death to, and hatred for the Shah and his associates."
 - C. In Tehran widely respected elder statemen and former Prime Minister Tabatabai is urging steps to appease USSR.
- II. Shah, who often feels isolated and is easily depressed, could succumb to these pressures and agree to investigate moves to bring about improved relations.
 - A. Next step presumably will be made through UM.



